

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:4368
ANSWERED ON:24.04.2008
LOSS SUFFERED BY IA /AI
Sai Shri Nand Kumar

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether domestic passenger load of Indian Airlines has decreased between February 2007-February 2008.
- (b) if so, the details in this regard;
- (c) whether Indian Airlines/Air India (IA/AI) have suffered a high loss during 2007-08;
- (d) if so, the details thereof;
- (e) the extent to which merger of both airlines will be able to become a profit-making company;
- (f) whether after merger operational cost of new National Aviation Company of India Limited will increase;
- (g) if so, whether any study has been made by the Government in this regard; and
- (h) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION(SHRI PRAFUL PATEL)

(a) and (b): Yes, Sir. The Passenger Load Factor(Seat Factor) during February 2008 was 58.5% as against Passenger Load Factor(Seat Factor) of 70.6% during February 2007.

(c) and (d): The accounts for 2007-08 have not yet been finalized.

(e), (f), (g) and (h): As per the office assessment of the Consultants, on implementation of the merger steps, synergy benefits would accrue to nearly 3% to 4% of combined revenue and result in savings in cost to the extent of 3-4%. In other words a benefit of Rs. 800 to Rs. 1200 crore is likely to accrue over a period of 3 years due to synergy process.